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February 9, 2001

By Email & Overnight Courier

Mary L. Cottrell, Secretary

Department of Telecommunications and Energy

Commonwealth of Massachusetts

One South Station

Boston, MA 02110

Re: WorldCom's Comments Regarding Verizon's Revised Performance Assurance Plan
(D. T. E. 99-271)

Dear Secretary Cottrell:

Pursuant to Hearing Officer Howley's February 2, 2001 Memorandum, WorldCom, Inc. ("WorldCom") hereby submits its comments on Verizon's January 30, 2001 revised Performance Assurance Plan ("PAP").

As was recently pointed out by WorldCom and others in the context of Verizon's pending application for \$271 authority with the FCC (CC Docket No. 01-9), Verizon's PAP remains flawed, and so fails adequately to protect against backsliding. Chief among the PAP's flaws is the PAP's failure to impose upon Verizon monetary remedies potent enough to cause Verizon to refrain from engaging in discriminatory behavior. Although the revised PAP provides additional remedies (e.g., it now incorporates the DSL, line sharing, and EDI metrics from the New York PAP), it does not provide for the payment of additional monies. Instead, it reallocates monies within the PAP so as to lower the amount of money available under the UNE and resale Modes of Entry. The amount and allocation of remedies are not sufficient to provide adequate deterrence, and in fact do not comply with the Department's prior order to "increase the amount of bill credits available under the PAP to account for the DSL metrics." Order on Motions for Clarification and Reconsideration, Performance Assurance Plan (November 21, 2000), at 6. Unless adequate additional money is allocated, these new measures will dilute the deterrent value of the PAP by spreading the existing money so thin as to provide no incentive at all. Cf. *In re Application of SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, CC Docket No. 00-217, Memorandum Opinion and Order, FCC 01-29 (rel. Jan. 22, 2001) at ¶ 273 (to discourage anti-competitive behavior, PAP must set "damages and penalties at a level above the simple cost of doing business").

And as WorldCom also argued to the FCC, we continue to believe that the revised PAP is flawed for other reasons as well. First, unlike the New York PAP's waiver procedure, the waiver procedure in Massachusetts contains no required time lines for the resolution of waiver issues, nor has Verizon ameliorated this problem by promising to make PAP payments on a disputed issue during the pendency of a waiver adjudication. Second, Verizon's Achieved Flow Through metric, OR-5-03, is a metric in name only as Verizon has yet to report any performance results under this measure. This stymies the effectiveness of the relevant part of the PAP because Verizon does not pay penalties if it does not report its sub-standard performance.

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And third, while the New York PAP remedies supplement liquidated damages available to CLECs under interconnection agreements, the Massachusetts PAP remedies are only offered as an alternative to remedies available to CLECs under the Consolidated Arbitrations.

Very truly yours,

Christopher J. McDonald

cc: Service List (by email & U.S. Mail)